

2/12/79

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THE PRESIDENT'S SCHEDULE

Monday - February 12, 1979

8:00 Dr. Zbigniew Brzezinski - The Oval Office.

8:30 Mr. Frank Moore - The Oval Office.

11:30 News Conference. (Mr. Jody Powell).
(30 min.) Room 450, EOB.

1:30 Meeting with Constituent Groups/Mexico
(30 min.) Trip. (Dr. Zbigniew Brzezinski).
The Cabinet Room.

THE WHITE HOUSE
WASHINGTON

2/12/79

Stu Eizenstat

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Please notify Sec. Andrus of
the President's decision.

Rick Hutcheson

cc: Bob Lipshutz
Frank Moore
Jody Powell
Jim McIntyre

THE WHITE HOUSE
WASHINGTON

2/9/79

Mr. President:

Jody strongly concurs with Andrus.

McIntyre's comments are attached.

CL thinks "we should stand fast. This is a budget issue. Can the Federal Government afford to set a precedent of spending \$40 million or more to restore a single church? The State of Texas has a huge surplus. Let them restore the church if it is so important."

Rick

THE WHITE HOUSE

WASHINGTON

February 9, 1979

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT *Shu*
KATHY FLETCHER

SUBJECT:

San Antonio Missions

Secretary Andrus has asked your permission to pursue the San Antonio Missions proposal with the aim of finding a workable, constitutional solution. He is very concerned about the negative political reaction to your decision to severely restrict if not prevent the implementation of the San Antonio Missions park authorization. As you recall, you signed the bill because of the urgency of the provisions concerning the Pennsylvania Avenue Development Corporation but sent Secretary Andrus a memorandum directing him not to fund aspects of the proposal relating to the active Mission churches and not to appoint the advisory committee or take other steps to implement the San Antonio proposal before reporting back to you.

Your memorandum was somehow released to the press and there is a great deal of negative reaction, particularly among Catholics and Hispanics in Texas. The press has pointed out that Federal funds do go to other active churches -- 152 active churches have received a total of \$2 million, primarily for external historic preservation work. The rumor has also gotten started that you are willing to devote Federal funds to Ebenezer Church but not to the Missions (although you have clarified your intention on the Ebenezer question).

The question now is whether a study of the San Antonio proposal should be announced. This would alleviate the immediate political problem and might lead to a solution which involved substantial non-Federal cost-sharing for the restoration work. The risk is that expectations will be raised by any reconsideration of the issue, especially if it is announced by the White House. If we proceed with a study, we will eventually have to follow through with approving all or some part of the funding of restoration of the missions. The

cost estimates for the work are not well refined, but range from \$5 - \$50 million. Andrus' most recent estimate is \$20-25 million.

This has developed into an explosive and damaging political issue. While I believe your original decision was correct, I think we must now show some willingness to develop a solution which is constitutional, consistent with existing precedents and as low in cost as possible. Therefore, I recommend that you approve Secretary Andrus' proposal and that the White House announce that Interior is beginning a study of the issue.

_____ APPROVE

_____ ☒ DISAPPROVE

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United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

February 6, 1979

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM TO THE PRESIDENT

FROM: Secretary of the Interior

A politically damaging controversy continues to revolve around the Congressionally-authorized San Antonio Missions National Historical Park. I realize your attention has been called to this matter at least twice, but I feel you deserve to know of the public reaction during the past six or seven weeks, which I have already discussed with some members of your senior staff.

Articles critically examining your November 17 memo to me have appeared not only in the San Antonio daily newspapers--one front-page banner headline read, "Furey (the Archbishop of San Antonio) Blasts Carter"--and television there, but also in Today's Catholic, a national newspaper. Within the past week, a senior Washington Post reporter has also asked many detailed questions, and her article may appear at any time, raising the issue's profile for all national media. Senator Bentsen and Congressman Kazen have publicly criticized us with news releases widely distributed.

Regrettably, this is being perceived in some circles as a Catholic-Baptist confrontation with Anglo-vs-Hispanic overtones. I am convinced that the issue will not subside and that it may do serious harm to the Administration in Texas and elsewhere unless we take action to defuse it.

A vulnerable point in our defense is the fact that since 1974 the Interior Department's program of matching grants-in-aid for historic preservation has disbursed some \$2 million to help preserve 152 church structures, nearly all of them occupied by active Protestant and Catholic congregations. The largest grant, in two installments, totaled \$101,000. We are also, of course, helping other active parish churches within units of the National Park System on a regular basis with relatively small sums to help defray the added costs of heavy use by secular visitors.

The aid we extend under these programs is different in scale but not in kind from what Congress has authorized for San Antonio Missions. If we were to apply restrictions uniformly against any aid to active churches, the outcry would be intense and nationwide.

The historic preservation grants program concentrates chiefly on external and structural restoration and repair. It is important to note that most of the needed work on San Antonio Missions is also structural and external--old exterior walls and roofs, distinctive for their Colonial Spanish design which is a vital part of the Southwest's rich architectural and cultural heritage. The structures are worth preserving.

Estimates of the costs of restoring San Antonio Missions range from \$10 million to \$40 million or more, with the best estimates about \$20 million to \$25 million. We believe that the Archdiocese of San Antonio would be willing to contribute a major share of the cost. Although the Federal share still would be large it would be much smaller than if the Church turned the buildings over to the Government and let it bear the full expense of restoration, maintenance and operation. As active churches, the buildings are vital to surrounding neighborhoods and are more interesting to visitors. The cost would be spread out over many years, minimizing the annual impact. If we do nothing at all, there is the risk that Congress may soon appropriate the funds following its authorization, despite OMB's disapproval.

At my request, Director William J. Whalen of the National Park Service is scheduled to meet in San Antonio late this week with representatives of the Archdiocese and lay leaders to open an exploratory dialogue. A draft plan could be developed as early as the spring of 1980. The plan could be announced at a time of our choosing. Through the plan and any resulting cooperative agreements, we can control the direction of the project.

I recommend that you direct Jody Powell to announce that you have asked me to take a detailed look at the San Antonio Missions with the aim of finding a workable solution that is fully consistent with our approach in other cases and with the Constitutional principle of separation of church and state.

I cannot overemphasize the depth of my conviction that an active approach to this problem is needed very quickly. Without it, I believe we will be sitting ducks from now through 1980 for angry charges by politicians and churchmen alike.

Leisel D. Andrews



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

FEB 9 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: JAMES T. McINTYRE, JR. *Jim*

Subject: Federal Funding for Restoration
of San Antonio Missions

A February 6 memorandum to you from Secretary Andrus notifies you that he has authorized negotiations with the Archbishop of San Antonio toward a compromise plan of Federal assistance in restoring these active churches. The Secretary recommends a White House announcement that you are requesting him to find a Constitutionally workable solution presumably involving Federal funds for the Missions.

I recommend against this course of action, and my reasons are summarized below:

- You have repeatedly considered this matter and decided against it on its merits, based in major part on reluctance to use Federal taxes to support active single denominational church buildings in your Administration -- even as "historical preservation."
- The fact that the local interests, including the potentially benefiting Archdiocese, are displeased was not unanticipated, and should not alter our view of the San Antonio matter.
- Any device for channeling funds to restore the churches through other governmental or private institutions will not alter the public perception of a large sum of taxpayers' money going to the church (indeed, some potential avenues may be foreclosed, as we understand that the Texas State Legislature bill for financing the Missions died in Committee two years ago).
- The "precedents" cited by Secretary Andrus (1) are all inherited from previous Administrations; (2) can be differentiated from San Antonio in most cases on principle as well as on cost; and (3) in most cases can even be terminated if you wish to do so (see below).
- Should this become a national political issue, your current stance is preferable, as I am sure most of the electorate does not want the Federal Government to distribute their tax dollars to churches.

Naturally, the proponents of the San Antonio Missions position maintain that there are ample precedents for Federal assistance to historic churches and, therefore, our objections to the proposal derive solely from its high cost. The attachment sets forth the results of our research into these precedents.

Our conclusions are:

- Federal historic preservation grants for rehabilitation of active churches are made, but they are extremely small (averaging \$15,000); are sponsored by the State rather than the Federal Government; and do not entail continuing Federal involvement in operation or maintenance of the site. This practice of giving one-time grants also may be terminated administratively.
- There are about 20 active denominational churches within the boundaries of National Park areas, most of which are privately owned and are covered by cooperative agreements between the owners and the United States. The agreements may be terminated by either party. The agreements allow, but do not require, the United States to assist, financially or otherwise, in preservation of the churches. In all cases but one, despite the authorization in the agreements, Federal assistance to these churches has been limited to either technical assistance or management of adjacent lands (e.g., a parking lot for tourists). Federal costs in all cases have been less than \$150,000, and usually much less.
- The one case in which the Federal Government has spent funds directly on an active denominational church structure is at Bethesda Church in Hopewell Village National Historic Site. This church is federally owned and maintained (cost about \$1,150 annually), and the congregation of 17 pays \$300 annually for a permit to use it for services. If other groups wished to use it for services, they would also be allowed to do so. This church appears more to be an anomaly than a precedent.
- The San Antonio Missions would represent the first instance in the National Park System where the main point of interest in the entire park would be active churches. The churches in other parks are incidental, whereas in San Antonio there would be no reason for a park without the churches.

In sum, the San Antonio Missions proposal does differ substantially from existing precedents, both in substance and in cost. We continue to recommend that you disapprove the expenditure of Federal funds in rehabilitation of the San Antonio Missions.

If you consider that these "precedents," all inherited from previous Administrations, cannot be politically differentiated from the San Antonio case and, if continued, would compel expansion of Federal involvement in church buildings, then I recommend that you direct Secretary Andrus to:

- cease providing historic preservation grants to States for projects involving work on active single denominational churches;
- revise existing and proposed cooperative agreements for churches within parks to delete any authorization for Federal assistance in operation, maintenance, or rehabilitation.

~~Attachment~~

THE WHITE HOUSE

WASHINGTON


MEMORANDUM FOR THE SECRETARY OF THE INTERIOR

SUBJECT: San Antonio Missions

When I signed the authorization for the San Antonio Missions Park, I expressed my deep concern about proper church-state relationships and asked you to consult with me before proceeding to implement the park authorization. You have now reported back to me.

I would like you to proceed to study the options available for implementing the San Antonio Missions Park with particular emphasis on maintaining separation of church and state and on minimizing costs to the Federal government. This study should involve intensive consultations with interested public groups and State and local government.

I would like you to report back to me within one year on the options you have identified, together with your recommendations for implementation.



ID 790078

THE WHITE HOUSE

WASHINGTON

DATE: 07 FEB 79

FOR ACTION: STU EIZENSTAT

BOB LIPSHUTZ - nc

JERRY RAFSHOON

TIM KRAFT

JODY POWELL

JIM MCINTYRE

INFO ONLY: THE VICE PRESIDENT

JACK WATSON

FRANK MOORE (LES FRANCIS)

ANNE WEXLER

SUBJECT: ANDRUS MEMO RE SAN ANTONIO MISSIONS

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +
+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

February 7, 1979

TO: BILL SIMON

FROM: Bob Thomson

SUBJECT: Andrus Memo on San Antonio Missions

Bentsen shoved this down our throat last year along with his Meat Import bill. I think we should stand fast. THIS IS A BUDGET ISSUE. Can the Federal Government afford to set a precedent of spending \$40 million or more to restore a single church? The State of Texas has a huge surplus. Let them restore the church if it is so important. Federal taxpayers don't need this.

Attachment

The following are the instances of Federal involvement with and assistance to active churches which might be interpreted as precedents for the San Antonio proposal:

1. The U.S. owns and operates a large number of non-denominational churches, most frequently on military reservations, and occasionally in National Park System areas.
2. The Federal government has provided financial aid for churches through grants from the Historic Preservation Fund. 1,055 churches are listed on the National Register of Historic Places, which makes them eligible for Federal preservation and rehabilitation grants. In FY 1978, 19 grants totalling \$243,000 were made for rehabilitation of active churches. Since the inception of the program in 1974, about \$2 million has been provided for work on 152 churches, most of which are active. The largest grant, in two installments totaled \$101,000. In providing the grants, no attempt is made to distinguish between rehabilitation of the historic features of the church and rehabilitation of religious elements.

These grants do provide some precedent for the San Antonio proposal. However, they involve the Federal government less directly than is proposed at San Antonio -- the grant application is sponsored by the State, and there is no requirement for Federal oversight of the preservation work. Once the grant is given, there is no continuing Federal involvement in operation or maintenance of the site. The grant amounts are of a much lower order of magnitude than is proposed at San Antonio. In general, Federal preservation grants do violate our notion of appropriate church-State relationships by providing clear financial assistance in rehabilitation of active, single denominational church structures, but at least they do not lead to excessive entanglement of the Federal government in religious affairs.

3. There are a large number of inactive churches in areas of the National Park System. These churches are owned and maintained at Federal expense. They range from ruins to historic structures which are still viable to churches which have incidentally been acquired in the course of acquiring the lands within park boundaries. A few of the viable church structures are used on rare occasions for religious purposes. For example, Old Salem Church, a focal point of a Civil War engagement near Fredericksburg, Virginia, is used by a Baptist congregation for special occasions such as Christmas and Easter. In general, though, these churches cannot be said to be active or regularly used.
4. There are a number of active churches within areas of the National Park System. There appear to be four types of Federal involvement:
 - Some active churches are affiliated areas in the Park System. An affiliated area is not Federally owned or managed, but is an area for which there is a cooperative agreement between the

owners and the Secretary of the Interior. The cooperative agreements are all similar, authorizing the Secretary, among other things, to assist the owners in preserving the property. In no case, though, has the Federal government done anything more than provide technical advice under such agreements; there has been no Federal financial assistance in structural work or O&M. In some cases at affiliated church areas NPS owns land adjacent to the church which is Federally maintained as a parking lot for visitors, etc. Federal expenditures under the cooperative agreements have in all cases been less than \$50,000, except for Gloria Dei Church in Philadelphia, Pennsylvania at which about \$100,000 in capital cost and \$32,000 in annual operating cost has been spent for adjacent Federal land. Affiliated areas which are churches include: Gloria Dei Church, Touro Synagogue, San Jose Mission, and formerly St. Paul's Church (now a unit of the park system -- Interior will not accept donation of the church unless religious services terminate).

- Some active churches are within park boundaries but are not Federally owned. These include, among others: Old North Church in Boston, and Christ, St. Joseph's and St. George's Churches in Philadelphia. These churches are covered by cooperative agreements similar to those for the affiliated areas. At all of these churches the Federal government has again spent no funds other than small amounts for technical assistance or for adjacent facilities. At Old North Church, in fact, we understand that the owners may reject the draft cooperative agreement because they do not wish to even allow the possibility of receiving any Federal financial assistance.
- Three active churches in parks are Federally owned, but are used by particular congregations under special use permits from the Park Service. These churches are the Chapel of the Sacred Heart, in Grand Teton National Park, and two small protestant churches in Delaware Water Gap National Recreation Area. These special use permits, however, require the congregations to assume all responsibility for maintenance and upkeep of these churches. The Federal government has spent no funds on these churches.
- One active denominational church is within park boundaries and is Federally owned and maintained. This is Bethesda Church, a small, one-room church in Hopewell Village National Historic Site in Pennsylvania, established in 1938. The church is leased to a Baptist congregation of 17 on a special use permit at \$300 per year. Annual Federal expenditures are \$350 for maintenance and \$800 for utilities, and about \$20,000 was spent to rehabilitate the church a few years ago. The Park Service indicates that although the Baptist congregation has traditionally used the church, if other congregations or faiths also wished to use it they would certainly be allowed to do so.

It seems fair to conclude that the San Antonio Missions proposal would constitute a generally unprecedented involvement between church and State. Churches which are Federally owned and maintained are either inactive or non-denominational. Federal preservation grants which go to churches involve the Federal government very little in religious affairs. Federal assistance to active churches associated with the National Park System has been limited to either technical assistance or management of adjacent lands. In only one case, the very small Bethesda Church, has the Federal government either maintained an active denominational church, or directly performed structural rehabilitation work. In all cases including Bethesda, the dollar magnitude of the Federal spending on churches has been very much less than is projected at San Antonio Missions.

THE WHITE HOUSE

WASHINGTON

2/12/79

Frank Moore/Ev Small

Te attached was returned in the President's outbox today and is forwarded to you for appropriate handling. Please hand-deliver the attached letters.

Rick Hutcheson

cc Stu Eizenstat
Jim McIntyre

THE WHITE HOUSE

WASHINGTON

February 9, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Attached Letters Concerning the
Renegotiation Board

As you recall we decided to continue to support the Renegotiation Board in the 1980 budget, despite the fact that last year Congress mandated no funds for the Board after March 31, 1979. Our 1980 budget therefore contained both a supplemental for the Board for the second half of FY 1979, and funds for 1980.

In order to insure that this request is credible, and to give the Board some chance to be sustained, I believe that you should send the attached letters to the Chairman of the House and Senate Appropriations Committees. In addition I recommend that you send Goodwin Chase, the retiring Chairman of the Board, the attached letter thanking him for his service on the Board.

(THREE SIGNATURES REQUESTED)

THE WHITE HOUSE

WASHINGTON

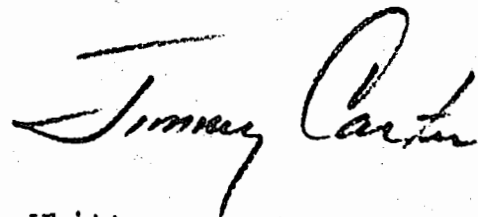
February 12, 1979

To Chairman Jamie L. Whitten

As you may have noted the Administration's 1980 Budget submission contains a supplemental appropriation request to continue funding for the Renegotiation Board through 1979. Last year I strongly supported the continuation of the Board, but the Congress provided funding for only half of the fiscal year.

To prevent termination of this vital oversight agency, I strongly urge you to give early and favorable consideration to the supplemental I have recommended. In a year of great budget tightness we cannot afford to eliminate an agency that recovers in excess profits far more than it spends in salaries and overhead. During this year I hope to work with the authorizing committees to insure continuation of the Board. In the meantime it is important that we not allow the Board to lapse. Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is fluid and cursive, with the first name "Jimmy" and last name "Carter" clearly distinguishable.

The Honorable Jamie L. Whitten
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D. C. 20515

THE WHITE HOUSE

WASHINGTON

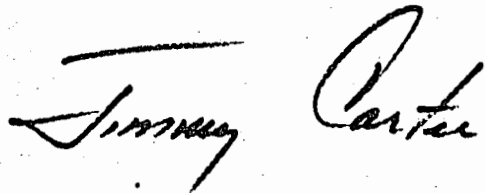
February 12, 1979

To Senator Warren G. Magnuson

As you may have noted the Administration's 1980 Budget submission contains a supplemental appropriation request to continue funding for the Renegotiation Board through 1979. Last year I strongly supported the continuation of the Board, but the Congress provided funding for only half of the fiscal year.

To prevent termination of this vital oversight agency, I strongly urge you to give early and favorable consideration to the supplemental I have recommended. In a year of great budget tightness we cannot afford to eliminate an agency that recovers in excess profits far more than it spends in salaries and overhead. During this year I hope to work with the authorizing committees to insure continuation of the Board. In the meantime it is important that we not allow the Board to lapse. Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the typed name.

The Honorable Warren G. Magnuson
United States Senate
Washington, D. C. 20510

THE WHITE HOUSE

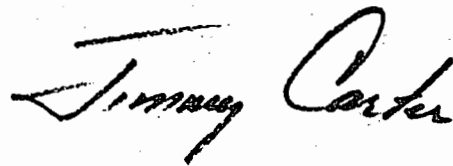
WASHINGTON

February 12, 1979

To The Honorable Goodwin Chase

On the occasion of your retirement from the Renegotiation Board I want to thank you personally for your long and distinguished service. I know that you have shared my views of the great importance of the Board's work, and that you have executed your responsibilities with a high degree of professionalism and competence. I sincerely appreciate your efforts to improve the operations of the Board and to preserve its life. You have served the country well in your service to the Board.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

The Honorable Goodwin Chase
The Renegotiation Board
2000 M Street, N.W.
Washington, D. C. 20046

Phil has
seen

THE WHITE HOUSE
WASHINGTON

February 9, 1979

TO: PRESIDENT CARTER
FROM: PHIL WISE *Phie*
SUBJECT: February 16 - 20 Escape

The following options are available:

A) SEA ISLAND

The last two homes on the beach are available. They are secure and will provide you with minimum privacy. The weather outlook is uncertain and the fishing is expected to be poor this time of the year. There is also beach construction in progress. Additionally, by going to the Georgia Coast and not using Musgrove you draw attention to this potential controversy.

B) KEY WEST NAVAL AIR STATION

This is a secure military base with excellent support facilities (air field, communications, housing, etc.). You would use the base commander's home overlooking the ocean. Good weather and fishing are forecast. The Navy scuba training school is here. However, the only swimming beach is public and located on the other side of the island. There will be problems in obtaining housing for the press and internal discussions are underway at Defense on closing this base.

C) PLAINS

D) CAMP DAVID

E) WASHINGTON

None of these

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2.

I want to spend February 16 - 20 at:

SEA ISLAND _____

KEY WEST NAVAL AIR STATION _____

PLAINS _____

CAMP DAVID _____ ✓

WASHINGTON, D.C. _____ ✓

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THE WHITE HOUSE

WASHINGTON

2/12/79

Jack Watson

Phil Wise

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

FOR STAFFING

FOR INFORMATION

FROM PRESIDENT'S OUTBOX

LOG IN/TO PRESIDENT TODAY

IMMEDIATE TURNAROUND

NO DEADLINE

LAST DAY FOR ACTION

ACTION

FYI

ADMIN CONFIDENTIAL

CONFIDENTIAL

SECRET

EYES ONLY

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARAGON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FALLOWS

FIRST LADY

GAMMILL

HARDEN

HUTCHESON

LINDER

MARTIN

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

VOORDE

WARREN

WISE

THE WHITE HOUSE
WASHINGTON

2/9/79

Mr. President:

You will be in Washington this week end so I suggest you drop by the sunday afternoon session before the 4 pm Baryshnikov performance at the White House.

Phil

*Keep this option -
Don't commit me
J*

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

February 7, 1979

Jack
See Phil
J

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*
SUBJECT: National Governors' Association Meeting
February 25 - 27, 1979
Washington, D.C.

George Busbee is convening the first meeting of the NGA's new Committee on International Trade and Foreign Relations on Sunday, February 25th and Monday, February 26th.

The Sunday meeting is a three hour (1:00 - 4:00 p.m.) affair at the Hyatt-Regency Hotel. It will be a seminar for all the Governors on export policy.

The Monday Committee meeting will also be for three hours, and will be a working session on a draft NGA policy statement on foreign trade. This meeting will also be at the Hyatt-Regency from 12:15 - 3:15 p.m.

George would very much like to have your personal participation in a portion of either of the meetings.

I am reluctant even to recommend your participation on Sunday because it would break into your weekend. I do recommend, however, that you consider a drop-by during part of the Monday Committee session. I think it is a very good hit for the following reasons:

- Your taking the time to meet briefly with the Committee will be an excellent public demonstration of your commitment to export expansion. I think widespread note in the business community at large will be made of your making a special effort to speak to the Governors on this issue.

Electrostatic Copy Made
for Preservation Purposes

-- Your personal presence at an NGA Committee session will serve to offset the considerable press attention Jerry Brown will be attracting for his "balance-the-budget convention" campaign.

-- This is the first meeting of the Committee which was established at your request.

Although I believe your going to the Committee is preferable (because it shows a more extraordinary Presidential effort "to go to the Governors"), an alternative would be to invite the Committee to the White House on Monday for a half-hour meeting with you in the Cabinet Room. Such a meeting could begin with a press photo opportunity.

I recommend that you schedule a drop-by to the Committee meeting sometime between 12:15 - 3:15 p.m. on Monday, February 26th. Both Hamilton and Tim join me in this recommendation.

Approve, Schedule Monday drop-by _____

Schedule Committee for White House meeting _____

Do not schedule either meeting _____

ID 790071

THE WHITE HOUSE

WASHINGTON

DATE: 07 FEB 79

FOR ACTION: PHIL WISE

FRAN VOORDE

INFO ONLY:

SUBJECT: WATSON MEMO RE NATIONAL GOVERNORS' ASSOCIATION MEETING

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM FRIDAY 09 FEB 79 +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE

WASHINGTON

February 7, 1979

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Approve, Schedule Monday drop-by _____

Schedule Committee for White House meeting _____

Do not schedule either meeting _____

THE WHITE HOUSE
WASHINGTON

2/12/79

Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: The Vice President
~~Hamilton Jordan~~
Stu Eizenstat
Jack Watson

C
/

THE WHITE HOUSE

WASHINGTON

February 10, 1979

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

I. DOMESTIC ISSUES

1. Real Wage Insurance -- Based upon a review conducted by Treasury and White House CL, it now appears that we have a possibility of securing nineteen (19) votes in support of some form of RWI. Four Democrats are listed as firmly opposed and one is "undecided." It should be noted, however, that we are holding this count very tight, as any leak could hurt us severely.

Next week, Chairman Ullman intends to hold a caucus in an effort to reach a consensus on how to proceed.

2. Amtrak -- Reactions to the DOT's Amtrak re-structuring proposals are encouraging. Resolutions of disapproval have been filed in both Houses by Members from Montana, West Virginia, New Mexico and New England -- their prospects are not year clear.

On the Senate Commerce Committee (which has jurisdiction over any resolutions of disapproval) Cannon and Long will support the cutback proposal, and Majority Leader Byrd may refrain from opposing it but is waiting to see the nature of House sentiment. Of the four trains recommended for termination within West Virginia, one of these, a commuter route to D.C., concerns Senator Byrd the most.

On the House side, Interstate and Foreign Commerce Committee Chairman Harley Staggers has not made any indication as to his position. Subcommittee Chairman Jim Florio indicates that he sees little sentiment to reject the proposal.

At this point, interest groups aligned against route cutbacks have only begun to gear up their own campaigns, and few Members have yet felt real constituent pressure.

3. Deregulation

Trucking Deregulation -- The Senate Parliamentarian still plans to refer the Kennedy bill to the Judiciary Committee.

Senator Cannon believes that the Commerce Committee should have exclusive jurisdiction over the bill and he will appeal the parliamentarian's ruling. Cannon's appeals are expected to be denied. In that event, Cannon is saying he will call for a roll call vote.

The jurisdictional fight seems to have pushed Senator Cannon closer to the truckers (who are working with him).

Senator Hollings has expressed the opinion that trucking deregulation is dead.

Chairman Jim Howard of the Surface Transportation Subcommittee claims that he will be ready to move the truck deregulation legislation the first of April and that he is optimistic that things can be worked out between his subcommittee and the Administration.

Rail -- The Subcommittee on Surface Transportation of Senate Commerce held hearings Wednesday to review the implementation of the 4R Act of 1976. The hearings were dominated by the deregulation issue.

Secretary Adams outlined the Administration's position. He was followed by other witnesses from DOT, the ICC, Senator McGovern, rail labor, rail industry, shippers, farmer's cooperatives and the recycling industry. With the exception of the farmers, most supported some form of deregulation.

DOT reports that several shippers' groups expressed great concern over the need to protect "captive" shippers from arbitrary and discriminatory pricing and abandonments. There were the inevitable disagreements over which shippers, are, in fact, "captive" and the Members of the Subcommittee seemed to understand that other means of transportation are available to many of the shippers served by railroads.

4. Farm Issues -- Friday, the Senate Agriculture Committee adopted a sense of the Senate Resolution calling on you to implement fully the 1977 Farm Bill up to at least 90% of parity.

5. Revenue Sharing -- Senator Lloyd Bentsen has introduced legislation to end Federal revenue sharing to states. Bentsen's proposal would not affect local governments.

Sentiment to reduce appropriations to States seems to be increasing in view of the continuing enactment of balanced budget amendments by States.

6. Balanced Budget Constitutional Amendment -- Senator Bayh is scheduled to begin hearings on the various budget amendments on February 23. The first day of hearings will consist solely of members of Congress. Later hearings in March or April will require an Administration witness on this subject. Chairman Rodino also anticipates relatively early hearings on the subject of balanced budgets (not constitutional convention) but no date has been set.

7. Tourism Policy -- The first aggressive challenge to your proposed budget cuts came February 2 when Senate Commerce Committee Chairman Cannon and the Committee's Merchant Marine and Tourism Subcommittee Chairman Daniel Inouye launched their attack on the Administration's proposal to reduce funding for the U.S. Travel Service to \$3 million. Senators Cannon and Inouye; Bob Juliano, representing the Bartender's Union; and the principal trade associations in the tourism area are willing to accept some cut in funding (from the previous \$13-\$14 million range) but want to maintain the overseas offices and the tourism promotion mission of the current U.S. Travel Service. Commerce CL reports that Assistant Secretary Elsa Porter, made a strong statement in defense of the Administration's new tourism policy.

8. Appropriations

Labor-HEW -- The staff of Congressman Obey, a key Member of the House Labor-HEW Appropriations Subcommittee, indicates some concern over excess funds recommended for the Aging Institute, but they are reluctant to cut the request or transfer funding to other areas. For NIH, the staff believes that it is politically necessary to add to all institutes. Their estimate is a minimum of a \$160 million budget add-on, with \$200 million more likely and possibly going much higher.

Chairman Natcher seems willing to hold to our budget totals but indicates the cuts in the Labor-HEW budget will not come in areas where we have them. He believes these areas "put the Members in a bad position." We will have to watch carefully for the Committee's tendency to make non-programmatic, estimating cuts and then use the "savings" for increases in discretionary programs. Jim McIntyre will see Mr. Natcher next week to pursue these issues further.

We are planning to gear up a major public outreach and press effort this year on the impact aid question.

We also hope to take on other special interest areas in the Labor-HEW budget, such as cancer research. Joe Early may help us on this particular effort, and we hope to rely again on Senator Magnuson to combat special interest pressures.

State-Justice -- The potential for at least a \$100 million add-on to our request for LEAA looms very large as Senator Kennedy pushes hard to increase amounts available to State and local governments and Senator Bayh works for full funding of juvenile justice programs. Should we be able to hold the appropriations bill to our recommended level of \$496 million, Kennedy will move to amend the distribution formula to increase State shares, transferring funds from our reorganization initiatives (such as creation of the National Institute of Justice).

II. FOREIGN POLICY ISSUES

1. Taiwan -- The SFRC Thursday approved Woodcock by a 12 to 1 vote after Church agreed to postpone floor action until the Committee could report the Omnibus legislation.

Church and Glenn have now agreed on some barely acceptable security language. This was shown to Javits Thursday evening. It does not include Javits' language which would make an attack against Taiwan "a common danger" to both Taiwan and the United States. Javits is likely to resist, but at least Church is back on our side of the fence for the moment, thanks in great part to your lunch with him.

The Senate Committee postponed further mark-up until Tuesday, February 20. This is probably an advantage because it will give us time to work out some of the legal technicalities which have had the Committee tied up and also to conclude negotiations on the security amendment. It also means, however, that action will now shift to the House Committee which is expected to mark-up during next week.

State feels that we are in trouble on the reprogramming which is necessary if we are to fund operations on Taiwan after March 1. Secretary Vance ran into a unanimously hostile reception at Hollings' subcommittee Thursday. The subcommittee has 15 days to disapprove the reprogramming request or it automatically takes effect. Senator Hollings has said a "temporary" letter of disapproval will be sent with final action deferred until the Foreign Relations Committee acts. He is opposed to the Institute and favors a government commission or liaison office. Slack, whose subcommittee handles the issue on the House side, has asked for a GAO report on the legality of our reprogramming proposal. Presumably attitudes will change when Members have had a chance to think over the disastrous consequences for Taiwan and for the United States of our failure to reprogram.

State is hopeful that negotiations for establishment of a Taiwan corporation will be concluded shortly. This will give us some help on the Hill.

2. Namibia - UNTAG -- Though some questions remain about its composition, we now expect the first contingent of the 7,500 man UNTAG force to be flown to Namibia on February 26 or 27. The US share of the cost of this peacekeeping operation will be about \$75 million plus another \$15 to \$25 million contributed in the

form of a non-reimbursable airlift. Legislation appropriating the necessary funds will be required. Technically, peacekeeping operations do not need authorizing legislation, but State will have to consult with the authorizing committee.

A Congressional and Public affairs strategy is in preparation. There is a very narrow timeframe; we have only about three weeks in which to make necessary preparations, including extensive Congressional briefings.

3. Panama Implementing Legislation -- Carroll Hubbard has been elected chairman of the Panama Canal Subcommittee of House Merchant Marine and Fisheries, with Bob Bauman as ranking minority. Both are staunch treaty opponents and cosponsors of Murphy's alternate bill, which they will probably defend against our bill during next week's hearings. These hearings will be conducted at the subcommittee level, beginning February 14. Congressional witnesses will be heard first with Warren Christopher and Charlie Duncan appearing on February 15 as the principal Administration witnesses.

4. Foreign Aid - House Appropriations Subcommittee -- Congressman Bill Young will remain as ranking minority member of the Subcommittee on Foreign Operations joined by Virginia Smith and Jack Kemp. Congressman Kemp reportedly sought assignment to the Subcommittee to gain a forum for expressing his views on foreign affairs in anticipation of his Senatorial candidacy in New York in 1980. Last year he had an almost perfect anti-foreign aid voting record with the exception of his votes against the Long amendment to cut the International Financial Institutions, and against the Mathis amendment to impose commodity restrictions on the IFIs. While his appointment is a distinct minus, it appears that on occasion he can be prevailed upon to oppose damaging amendments. Also, if he does intend to run for the Senate from New York, it would seem likely that he would at least be amenable to appropriations for Security Supporting Assistance. The Democrats on the Committee are: Long, Obey, Wilson, Yates, McHugh, Lehman and Dixon, so there will be a strong pro-foreign aid majority on the Subcommittee. In addition, Congressman Conte, the ranking Republican on the full Committee, will have a vote on the Subcommittee and we can count on his support to offset the probable opposition of Chairman Whitten, a staunch foreign aid opponent who also has a Subcommittee vote.

III. HOUSE COMMITTEE ANALYSIS

A House committee analysis follows. We did not attempt to outline every subcommittee but have concentrated on those with which we will have most regular dealings.

Health: Rangel, Chairman; Corman, Vanik, Ford, Heftel,
Shannon
Crane, Duncan, Martin

Given their past record and public posture we should have a very supportive committee on hospital cost containment and probably more than we want in the area of National Health Insurance. Ford and Heftel look like the swing votes on health issues.

Public Assistance and Unemployment Compensation: Corman, Chairman;
Rangel, Stark, Brodhead, Downey, Fowler
Rousselot, Bafalis, Crane

Like the health subcommittee we are likely to have this subcommittee out in front of the administration with a large expensive welfare reform program. The full committee, however, will not rubber stamp anything too far out of line.

Social Security: Any legislation coming out of this subcommittee is likely to include a reduction in payroll Social Security taxes. Fisher will oppose any move to include federal employees in the regular Social Security program. Also, Pickle has publicly expressed his reservations about the adoption of Social Security savings amendments this year. He thus agrees with Ullman that the money won't be saved this year.

IV. MISCELLANEOUS

Secretary Califano gave the NHI "Chart Show" to the Democratic Steering and Policy Committee. Our staff was invited to attend by the Secretary and did. While it is not possible to get a hard count on the Committee's opinion, White House CL thinks it is fair to say that Members were surprised and impressed by the size of the health industry and the magnitude and difficulty of the decisions that you are facing.

Mood of the Senate -- This year promises to be one filled with hostility, internal tension and blood letting. Senator Byrd is now spending most of his energies attempting to get an agreement on Senate rules changes to limit delay tactics. He may succeed on limiting post cloture delays which would be a major breakthrough. It appears now he will not succeed in limiting pre-cloture delays.

Meanwhile, the Democrats in the Senate are in disarray. Many are terrified at the prospect of facing reelection with so many controversial issues on the agenda. Few have a comfortable understanding of the moods of their constituencies. No effective policy leadership has been exercised this year in the Senate with two exceptions -- Senator Kennedy and the right wing.

Many Senators are reacting to the uncertainty in an irrational manner. For example, Senate Democrats have almost succeeded in making Taiwan an issue of public concern. A few weeks ago, polls indicated the American people were concerned about "abandoning" Taiwan, but few thought it to be a major issue. Since then, in newsletters and public statements, Democratic Senators have raised the public's awareness and created controversy for themselves where little previously existed.

We hope that Senator Byrd will be able to bring order to this chaos as soon as he finishes with the rules. He must organize a counterbalance to the tightly knit, well-organized group of 12 to 15 conservatives. If he does not, they will virtually control the Senate for the remainder of the year, despite their small numbers.

Omnibus Antiterrorism Act of 1979 -- Senators Javits and Ribicoff have again introduced legislation designed to combat international terrorism. Many of the changes we requested last year have been incorporated in the new bill.

SALT Briefing, Roth Undecided Group -- Senator Roth has formed an undecided SALT group. On Wednesday Walt Slocombe of DoD briefed the group at a working luncheon on SALT and strategic policy. They have asked DoD to come back in a few weeks for further discussions. Attending were: Senators Roth, Boschwitz, Bellmon, DeConcini, Huddleston, Melcher, Pressler, and Sasser.

Jim Howard wants you to know that he will be in Denver this weekend to hold a press conference to remind the western states that are trying to repeal the 55 mile per hour speed limit that he is the author of that legislation. He is going to reiterate that highway funds will be cut off if states repeal the 55 mph legislation and that neither the Secretary of Transportation nor the Administration can change the legislation. He says the law is the law.

Mike McCormack is the new Chairman of the Science and Technology subcommittee on Nuclear Energy. This will lessen the prospects for resolving the Clinch River Breeder Reactor differences.

*Do I need
to see
him?*

Water Policy -- In a letter to you, Congressmen Derrick, Bedell, Conte, Edgar, Bonior, Moffett, Jeffords, Jacobs, McClosky, Harkin, Weaver and Kostmayer, a core-group which has always been with the Administration on water projects legislation, wrote to complain that the increase in the budgets of the Corps of Engineers and Bureau of Reclamation does not appear to coincide with our policy on water. They've asked for a meeting with you. However, I hope that WHCL can take care of the problem without your personal involvement.

Alaska Lands -- Udall thinks the upcoming hunting season may work to our advantage. Without some Congressional action a portion of the land will not be open for hunting and Udall feels this "stick" may help speed the process.

Senator Hollings -- At the Senate Budget Committee hearing, Hollings criticized Jim McIntyre for submitting a budget that did not live up to its "lean and austere" label.

.. We understand that Hollings has also given Secretaries Kreps and Vance a difficult time at their recent appearances on the Hill. He apparently is upset about progress in implementing textile tariff regulations.

OMB concluded the budget overview hearings last week before all the major money committees. In general, the reception was excellent.

HEARINGS

Significant hearings involving Administration officials this week include:

<u>Date</u>	<u>Witness</u>	<u>Committee</u>	<u>Subject</u>
Tue. 2/13	Secy Claytor Secy Schlesinger	House Approp. House Interst. & Foreign Comm.	FY 80 Navy Posture Authorization - Overview of DOE Activities
	DAG Civiletti	House Judiciary Comm.	LEAA Reauthorization
	Secy Andrus	House Interior	Alaska Lands
Wed. 2/14	Secy Bergland Mr. Hjort	House Approp.	USDA Approp.
	Secy Califano	House Budget	FY HEW Budget
	Bosworth & Kahn	House Approp.	COWPS Approp.
	Secy Andrus	House Merchant Marines & Fisheries	Alaska Lands
Thurs. 2/15	Secy Stetson	House Approp	FY 80 AF Posture
	Warren Christopher Charles Duncan	House Merchant Marines & Fisheries	Panama Implementing Legislation
Fri. 2/16	Secy Alexander Panama Canal Co. Officials	House Merchant Marines & Fisheries	Panama Canal Implementing Legislation

THE WHITE HOUSE
WASHINGTON

2/12/79

Bob Lipshutz
Jim McIntyre

The attached was returned in the President's outbox today and is forwarded to you for your information. The original letter has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc Bob Linder

THE WHITE HOUSE

WASHINGTON

February 8, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ
MARGARET MCKENNA

We recommend that you designate the Office of Personnel Management to membership in the Administrative Conference. Enactment of the Civil Service Reform Act terminated the existence of the Civil Service Commission and created a vacancy in the Conference. The Office of Personnel Management would fill the vacancy created by the termination of the Civil Service Commission.

We recommend that you sign the attached letter designating the Office of Personnel Management to membership in the Administrative Conference.

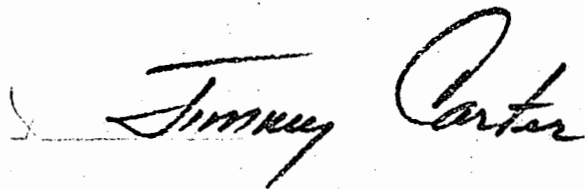
THE WHITE HOUSE

WASHINGTON

To Chairman Robert Anthony

Pursuant to the authority contained in 5 U.S.C. 573(b)(3) of the Administrative Conference Act, I hereby designate the Office of Personnel Management to membership in the Administrative Conference of the United States in place of the Civil Service Commission.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of a horizontal line.

The Honorable Robert A. Anthony
Chairman
Administrative Conference of
the United States
Washington, D.C. 20037

TWO YEARS AGO, PRESIDENT JOSÉ LÓPEZ PORTILLO OF MEXICO BECAME THE FIRST HEAD OF STATE TO VISIT ME IN THE WHITE HOUSE.

THAT WAS NO ACCIDENT, BUT A CAREFULLY CONSIDERED DECISION. IT WAS A DEMONSTRATION OF THE IMPORTANCE I HAVE PLACED FROM THE VERY BEGINNING ON OUR RELATIONS WITH MEXICO -- THE NATION WHICH SHARES THE NORTH AMERICAN CONTINENT WITH THE UNITED STATES AND CANADA.

SOME 40 HOURS FROM NOW, I WILL DEPART FOR MEXICO CITY TO RETURN PRESIDENT LÓPEZ PORTILLO'S VISIT AND TO RENEW ^{our} ~~THE~~ PERSONAL DIALOGUE AS PART OF THE CONSULTATIONS AND NEGOTIATIONS WHICH HAVE CONTINUED AMONG OUR MINISTERS AND OTHER OFFICIALS.

(=OVER=) (WE WILL BE DISCUSSING.....)

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WE WILL BE DISCUSSING SOME VERY IMPORTANT COMMON PROBLEMS,
INCLUDING TRADE, ENERGY, AND BORDER ISSUES.

I AM LOOKING FORWARD TO EXTENSIVE DISCUSSIONS OF GLOBAL AND
REGIONAL PROBLEMS AS WELL. AS YOU KNOW, MEXICO PLAYS A VITAL ROLE
IN THE WORLD ON A NUMBER OF CRUCIAL ISSUES -- SUCH AS ECONOMIC
DEVELOPMENT, ARMS RESTRAINT, AND NUCLEAR NON-PROLIFERATION. THESE
ISSUES ARE VERY IMPORTANT TO PRESIDENT LOPEZ PORTILLO AND ^{TO} ME.

(=NEW CARD=) (INEVITABLY, THERE ARE.....)

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INEVITABLY, THERE ARE DIFFERENCES IN OUTLOOK BETWEEN TWO SUCH DIVERSE AND IMPORTANT NEIGHBORS AS THE UNITED STATES AND MEXICO,... BUT THOSE DIFFERENCES ARE DWARFED BY OUR COMMON CONCERNS, OUR COMMON VALUES, AND OUR AREAS OF COOPERATION.

I VIEW THIS TRIP, ABOVE ALL, AS AN OPPORTUNITY TO LISTEN AND TO LEARN.

I WANT TO HEAR PRESIDENT LOPEZ PORTILLO'S VIEWS, AND TO SHARE MINE WITH HIM.

WE WILL ^{BE WORKING} ~~WORK~~ TOGETHER TOWARD AN EVEN BETTER FUTURE RELATIONSHIP BETWEEN OUR TWO COUNTRIES.

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(WOODCOCK'S DISCUSSION IN PEKING, SEPTEMBER 15, 1978...
RE PRC/TAIWAN)

" . . . WE HAVE TAKEN NOTE OF COMMENTS BY CHINESE LEADERS
THAT YOU ARE PREPARED TO SEEK PEACEFUL MEANS OF SETTLING THIS ISSUE
WITHOUT THE PARTICIPATION OF THE UNITED STATES,...THAT YOU WILL
TAKE INTO CONSIDERATION THE ACTUAL SITUATION ON TAIWAN,...AND
THAT THE CHINESE PEOPLE ARE A PATIENT PEOPLE. WE ATTACH GREAT
SIGNIFICANCE TO THESE STATEMENTS."

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LAST MONTH'S INCREASES IN THE WHOLESALE PRICE INDEX ARE A CLEAR MESSAGE TO THE NATION: WE CANNOT SHRINK FROM MAKING THE TOUGH DECISIONS WHICH ARE NEEDED TO BRING INFLATION DOWN.

THE DEMANDS OF SPECIAL-INTEREST GROUPS, NO MATTER HOW LEGITIMATE, MUST BE ~~CURBED~~ ^{RESISTED.} THE CONGRESS MUST HOLD THE LINE ON FEDERAL SPENDING THIS YEAR. WE HAVE STEADILY REDUCED THE FEDERAL DEFICIT OVER THE PAST TWO YEARS, AND WE WILL CONTINUE TO REDUCE IT FURTHER.

THE CONGRESS MUST ACT, AS WELL, TO PASS LONG OVERDUE LEGISLATION TO ~~RESTRAIN INFLATION~~ ^{CONTAIN} IN HOSPITAL COSTS. THE AMERICAN PEOPLE BADLY NEED RELIEF FROM THIS PUNISHING FORM OF ^{EXCESSIVE} INFLATION.

(=OVER=) (I SAID WHEN I ANNOUNCED...)

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I SAID WHEN I ANNOUNCED ^{our} ~~MY~~ PROGRAM OF WAGE-PRICE GUIDELINES THAT INFLATION MIGHT GET WORSE IN THE SHORT-RUN BEFORE IT GOT BETTER.

THE JANUARY WHOLESALE PRICE INCREASES BEAR OUT THAT PREDICTION,... BUT WE DO NOT EXPECT SUCH INCREASES AS THESE TO BE REPEATED IN COMING MONTHS.

ALL AVAILABLE EVIDENCE INDICATES THAT THE GUIDELINES ARE BEGINNING TO TAKE HOLD. THE FIRST MAJOR WAGE SETTLEMENT BY THE OIL, CHEMICAL, AND ATOMIC WORKERS -- AND OTHERS SINCE THEN -- FALL WITHIN THE 7 PERCENT GUIDELINE.

THE OVERWHELMING MAJORITY OF MAJOR CORPORATIONS HAVE PLEGGED TO COMPLY WITH THE GUIDELINES, AND WE EXPECT THE REMAINDER TO FOLLOW SUIT.

(=NEW CARD=) (THE STAFF OF THE,....)

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THE STAFF OF THE COUNCIL ON WAGE AND PRICE STABILITY WILL VIGOROUSLY
MONITOR ALL PRICING DECISIONS TO ENSURE COMPLIANCE.

THE CONGRESS MUST DO ITS PART IN THIS EFFORT BY ENACTING ~~MY PROGRAM~~
~~OF~~ REAL WAGE INSURANCE. AMERICAN WORKERS WHO ~~SACRIFICE BY RESTRAINING~~
THEIR WAGE DEMANDS DESERVE THE PROTECTION OF THIS LEGISLATION.

FOR MORE THAN 10 YEARS WE HAVE LIVED WITH RISING INFLATION.
NOW THE PROGRAM WE HAVE SET IS BEGINNING TO WORK, AND IF WE ALL DO OUR PART
WE WILL SUCCEED IN BRINGING INFLATION DOWN STEP-BY-STEP.

I AM DETERMINED TO USE THE FULL AUTHORITY OF MY OFFICE TO MAKE
THIS EFFORT SUCCEED,...AND I BELIEVE THE CONGRESS, AND ALL AMERICANS,
ARE READY TO DO THEIR PART.

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THE CURTAILMENT OF IRANIAN OIL SUPPLIES UNDERSCORES THE VULNERABILITY ABOUT WHICH I SPOKE IN CALLING FOR ENACTMENT OF THE NATIONAL ENERGY PLAN IN APRIL OF 1977. THE ^{net}IRANIAN SHORTFALL IS CURRENTLY RUNNING ABOUT 2 MILLION BARRELS PER DAY WORLDWIDE AND 500,000 BARRELS PER DAY IN THE UNITED STATES (ABOUT 2 1/2 %) ¹

MOST PETROLEUM STOCKS WERE RELATIVELY HIGH AT THE BEGINNING OF THIS WINTER SEASON. WHILE WE ARE IN NO IMMEDIATE DANGER, STOCKS CONTINUE TO BE DRAWN DOWN.

IF PRODUCTION STAYS DOWN THROUGH THE LATE SPRING AND SUMMER, IT WILL BE DIFFICULT TO REBUILD DEPLETED STOCKS TO MEET OUR NEEDS NEXT WINTER UNLESS APPROPRIATE ACTION IS TAKEN.

(=OVER=) (AS A MATTER OF.....)

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AS A MATTER OF PRUDENT PLANNING, EARLY THIS YEAR I ASKED DR. SCHLESINGER TO DEVELOP A BROAD RANGE OF SPECIFIC DOMESTIC PRODUCTION AND CONSERVATION OPTIONS SHOULD THE IRANIAN SHUTDOWN CONTINUE FOR AN EXTENDED PERIOD OF TIME. I EXPECT TO BE SPEAKING ABOUT THE DETAILS OF THIS EFFORT AT THE APPROPRIATE TIME.

~~UNTIL THEN~~, I WANT TO UNDERSCORE SECRETARY SCHLESINGER'S CALL FOR VOLUNTARY CONSERVATION. IF EVERY AMERICAN WOULD HONOR THE 55 MILE-PER-HOUR SPEED LIMIT, SET THERMOSTATS AT 65 DEGREES, LIMIT DISCRETIONARY DRIVING ^{USE} ~~AND CARPOOLS~~ OR TAKE MASS TRANSIT TO WORK, ...WE COULD OFFSET THE CURRENT REDUCTION IN IRANIAN OIL SUPPLIES.

A PRUDENT PUBLIC RESPONSE WHILE THE NATION'S PETROLEUM STOCKS REMAIN PLENTIFUL WILL MAKE THE ^{OUR} ~~NATION'S~~ TASK EASIER IN THE FUTURE.

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I WOULD LIKE TO SAY A FEW WORDS ^{about} ~~ON~~ IRAN. OVER THE PAST SEVERAL MONTHS, WE HAVE ~~WATCHED WITH CONCERN~~ ^{OBSERVED CLOSELY} THE EVENTS UNFOLDING THERE.

OUR OBJECTIVE HAS BEEN, AND IS, A STABLE AND INDEPENDENT IRAN WHICH MAINTAINS GOOD RELATIONS WITH THE UNITED STATES. OUR POLICY HAS BEEN NOT TO INTERFERE IN IRAN'S INTERNAL AFFAIRS AND TO EXPRESS OUR FIRM EXPECTATION THAT OTHERS WOULD NOT DO SO.

WE HOPE THAT THE DIFFERENCES THAT HAVE DIVIDED IRAN FOR SO MANY MONTHS CAN NOW BE ENDED. WE HAVE BEEN IN TOUCH WITH THOSE IN CONTROL ^{OF THE GOVT} OF IRAN AND STAND READY TO WORK WITH THEM.

(=OVER=) (OUR POLICY HAS AVOIDED.....)

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OUR POLICY HAS AVOIDED THE EXTREMES OF ABANDONING THE LEGITIMATE GOVERNMENT OR OF PURSUING AN ACTIVE INTERVENTIONIST POLICY.

WE HAVE AT EACH STAGE SUPPORTED THE LEGITIMATE POLITICAL PROCESS IN IRAN AS THE APPROPRIATE MEANS FOR MEETING THE NEEDS OF THE IRANIAN PEOPLE THROUGH ORDERLY CHANGE.

OUR GOALS

THEY

WE ARE NOW WORKING AS WE HAVE BEEN FOR THE PAST SEVERAL MONTHS TO:

- INSURE THE SAFETY OF AMERICANS IN IRAN;
- MINIMIZE BLOODSHED AND VIOLENCE;
- INSURE THAT IRAN IS MILITARILY CAPABLE OF PROTECTING HER INDEPENDENCE AND TERRITORIAL INTEGRITY;
- PREVENT INTERFERENCE OR INTERVENTION BY ANY OUTSIDE POWER; AND
- HONOR THE WILL OF THE IRANIAN PEOPLE.

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